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Budapest Economic Conference

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ILLEGIB

An economic conference, under CEMA auspices, took place in Budapest on 21-23 April 1952. The conference was attended by small delegations of economic planning specialists from each of the Soviet Union's Eastern European satellites, including the DDR. Albania, not represented at the conference, was the one exception. The conference, presided over by a Hungarian chairman, comprised about 70 delegates. Four officials of the Soviet Union were present at all conference sessions but took no part in the discussions. The Soviets sat on the speaker's rostrum with the chairman, took copious notes on the proceedings, and occasionally passed notes to the chairman.

No separate committee meetings were held during the period of the conference. The conference sessions, lasting all day, were held in the plenary hall on the second floor of the Hungarian Foreign Ministry. The official conference languages were Russian and Polish. One interpreter was assigned to every four delegates.

The purpose of the conference was to determine, within the framework of the Five Year Plan, realistic delivery deadlines for trade among the eastern satellites in 1952. Special emphasis was placed on heavy industrial machinery, chemicals, and fine mechanical and optical equipment. The conference did not directly concern trade as such, however. No trade or financial deals of any kind were discussed. It was rather a planners' conference, devoted to an objective appraisal of the quantity and quality of current production, in relation to the exchange of goods between the Eastern satellite countries. The general tone of the conference was concrete and objective; there was almost no reference to political or propaganda considerations. Neither the role of the Soviet Union in the CEMA framework nor trade with the West was a topic of discussion at the conference. Armaments, as such, and scientific advances were likewise not discussed.

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DDR was represented at the conference by an 11-man delegation headed by Kurt Posch, chief of the Main Section for Government Orders (Hauptabteilung Regierungsaufträge) in the State Secretariat for Material Procurement. Aside from Posch, the DDR delegation included Hugo Reiser, senior fellow, from the State Secretariat for Material Procurement;

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Frau (fru) Mess, of the chemical section of the State Planning Commission, and the personal referent of State Secretary Bruno Leuschner of the State Planning Commission; (fru) Benedikt and (fru) Miotk of the Ministry for Domestic and Foreign Trade; Frau Martha Strähmel, of the Material Administration in the Ministry of Machine Construction, and (fru) Fleischer, referent of Minister Gerhard Ziller; there were also two representatives of the DDR Foreign Ministry.

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Delegates were required to spend all daylight hours at the conference sessions and in the evening were taken, under escort, to various ballet and theater performances. Aside from the leader of the delegation, all delegates were strictly forbidden to take any notes on the conference proceedings. One protocol of the conference was retained by Arthur Posch but was not available to other delegates. No minutes or documents of any kind pertaining to the conference were published.

6. It was made clear at the conference that the export obligations of each country were of prior importance to domestic requirements. The DDR was especially criticized for its failure to deliver heavy machinery for the Silesian mines and chemicals in the quantity desired. Special emphasis was placed on the role of the DDR as deliverer of heavy machinery for construction and mining to Czechoslovakia, Rumania, and Poland; stress was also laid on production of electro-technical equipment, and rail cars. In answer to criticism, the DDR delegation stressed the limited industrial capacity of the East Zone and the scarcity of raw materials. The DDR was also attacked for the excessive detail of its economic planning. The Carl Zeiss firm, Jena, was praised for the quality of its products.
7. Other points of criticism at the conference were directed against Rumania for the unsatisfactory status of its oil deliveries (a general complaint was made concerning the impurity of Rumanian oil) and against Poland for the unreliability of its planning figures. General satisfaction was manifested in Czechoslovakia's deliveries of vehicles and heavy machinery. It was noted that Czechoslovakia was expected to export steel for rail car construction and sulphuric acid for the glass industry. Priority consideration was to be given deliveries of chemicals to Poland and Czechoslovakia and heavy machinery shipments to Rumania.

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